

King County, Washington
Wastewater Treatment Division

Property Acquisition and Relocation Information



*For Residential Owners
and Tenants*

March 2003



King County

Department of Natural Resources and Parks
Wastewater Treatment Division
Right-of-Way & Permits

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INTRODUCTION

This booklet has been prepared to help explain the acquisition process used by King County's Wastewater Treatment Division (WTD). It also describes relocation information as set forth in the federal Uniform Relocation and Real Property Acquisition Policies Act (the Uniform Act), as it applies to displaced residential owners and tenants. A companion booklet has been developed for businesses, farms and non-profit organizations.

In planning wastewater system facilities, WTD strives to be a good neighbor and has developed an acquisition and relocation process that is fair and equitable. The information in this booklet will help you understand more about the process and how WTD works with property owners and tenants to minimize any disruption or inconvenience.

If all or some portion of the property you own or occupy must be acquired by WTD, a member of our real estate team will contact you to discuss the process in more detail.

ACQUISITION OF PROPERTY

Introduction

Quality wastewater treatment is essential to protect public health and the environment. King County provides wastewater treatment services to citizens of King County and to parts of Snohomish and Pierce counties. In order to maintain and expand the wastewater treatment and conveyance system, sometimes WTD must purchase property for its treatment plants, pipelines, pump stations, and related facilities

In addition to acquiring property, the county often needs to purchase “easements,” or the right to use property owned by another person for a particular purpose. For example, some people have an easement for a driveway on a neighbor’s property. For King County, this could include easements to cross private property for access, drainage, utilities, pipeline or tunnel crossings.

Typically, the property King County WTD can acquire falls into three categories:

- **Temporary construction easements:** This type of easement is used when WTD needs access to property for only a short time, typically less than a year. WTD purchases a temporary construction easement from the property owner to use the easement area for a specific period of time and for specific activities. Easement areas are restored after construction is complete.
- **Permanent utility easements:** Many times pipelines and tunnels will be constructed within existing public rights of way. When it is not possible to stay on public rights of way the county may need to purchase the rights to permanently cross or use a piece of private property. These easements are used for permanent pipelines, tunnels or other facilities. These easements will always specify the width and location of the easement.
- **Ownership:** Sometimes WTD will need to buy (outright purchase) an entire piece of property or a portion of property to construct a permanent facility such as a treatment plant, construction site, portal or pump station.

The remainder of this booklet focuses on procedures and benefits where WTD purchases entire pieces of property.

WTD's real property acquisition procedures are designed to provide consistent and equitable treatment of all affected property owners and tenants. Relocation assistance will be provided to eligible owners or tenants who are displaced as a result of an acquisition in accordance with federal law (See Relocation Benefits and Services). WTD staff and agents are available to assist owners and tenants and to answer questions.

Determining Purchase Price

In most cases property owners will be aware of the possibility that WTD may be interested in their property, either through public notices about a specific project or because WTD has contacted them about an impending action. In some cases WTD may need to contact you as part of a preliminary investigation or feasibility study that may or may not lead to an offer to purchase property.

Owners of property that might be needed by WTD will be notified and will be asked for permission to access the property for appraisal and investigation purposes. If WTD determines that it will need to acquire property, then WTD will offer an amount determined to be "just compensation" for the land and improvements. The value is determined by an independent real estate appraiser based on fair market value.

The appraiser will consider all appropriate methods to determine a value. Any increase or decrease in the value of the property resulting from public knowledge of the project will be disregarded in the valuation process.

After a determination of just compensation is made, a WTD representative will meet with the owners to present an offer to purchase the property. They will be prepared to explain the details of the offer.

The offer will be in writing and will include an acquisition summary statement describing the basis for the amount of the offer. Property owners will be provided a reasonable opportunity to consider and respond to the offer.

Payments and Benefits

After the purchase and sale agreement is signed by the property owner and is authorized by WTD, an escrow account will be opened. An escrow officer will obtain all necessary releases of liens and, with the assistance of WTD, will prepare all documents for transfer of title.

WTD will pay all normal expenses of sale, including escrow fees, title insurance, prepayment penalties, mortgage release fees, recording fees and other typical costs incurred that are part of conveying title. In most cases, the seller will not be responsible for paying real estate excise tax on the sale. WTD will not pay any real estate commissions.

Under certain conditions, property owners may not have to pay federal income tax on some or all of the amounts paid to the property owner by WTD. Property owners should check with their tax advisors to determine the benefits that may be available.

The transaction will close at the earliest possible time. Funds remaining after payment of mortgages, judgments, taxes and other liens will be released to the property owners at the close of escrow.

Even though WTD has the power of eminent domain (the right to acquire property for public use upon payment of just compensation), whenever possible, WTD will try to acquire property through voluntary negotiations. If it is necessary to use eminent domain, the process used to determine just compensation and applicable relocation services and benefits will still apply.

Moving from the Property

In some cases, an owner or tenant may be required to move from the property as a result of the acquisition. A written notice will be given to any owner or tenant at least 90 days prior to the moving date.

The following section provides additional information regarding relocation services, assistance, and moving benefits that will be provided by WTD to eligible owners and tenants.

RELOCATION BENEFITS AND SERVICES

In most cases, people will be eligible for relocation assistance if they are forced to move from the property they occupy, either as an owner or a tenant, as a direct result of a written notice from WTD that the property will be acquired. WTD will apply the statutory guidelines of the Uniform Act to determine if the owners or tenants qualify for relocation assistance.

Owners and tenants become eligible for relocation assistance on the day WTD makes a written offer to buy the property they are occupying.

If an owner or tenant is required to move, written notice will be given at least 90 days in advance of the date people are required to move. In many cases more than 90 days notice will be given. The notice will either state the earliest day they will be required to move, or it will state that they will receive additional notice at least 30 days in advance of the date by which they must move.

There may be times when WTD acquires property where owners or tenants do not have to move. For example, when WTD is only acquiring a portion of the property that is not being occupied or is acquiring construction or access easements. Some relocation benefits may still be available in these cases if personal property must be relocated.

Even if you are notified that WTD will acquire the property you occupy, you should not move or move any personal property from the land until you receive WTD's written offer to purchase your property or notification of eligibility for relocation benefits.

Also, before moving, you will need to sign a "Moving Expense Relocation Agreement." If you move without signing this agreement, you may jeopardize your entitlement to relocation assistance.

We suggest you talk with a county real estate representative before moving to learn about your options and benefits. This way you will be sure to receive all benefits to which you may be entitled.

WTD will work with displaced people to facilitate a move that causes the least amount of disruption. Once WTD has made payment for the property, occupants will be required to rent from WTD if they choose to remain on the property.

The Uniform Act states that people need not report relocation payments as part of their gross income for Federal Tax purposes. For information on State or local taxes, individuals should check with the State or local income tax officials in their area or with their personal tax advisor.

In most cases, people will be reimbursed for relocation expenses after they have moved or incurred an eligible expense. However, in some cases, progress payments (payments made prior to the completion of the relocation) can be made if WTD determines that it is necessary.

Filing Claims for Relocation Benefits

All claims for relocation benefits must be filed with WTD within 18 months after:

- The date you move from the acquired property, if you are a tenant; or
- The date you move or the date you receive final payment for your property, whichever is later, if you are the owner.

Relocation Advisory Assistance

For eligible displaced residential owners and tenants, a county representative will be available to:

- Explain relocation assistance and payments available, eligibility requirements, and procedures for obtaining assistance.
- Determine housing needs and preferences.
- Provide information on the availability, purchase prices, and/or rental costs for suitable replacement sites. No one will be required to move unless at least one comparable dwelling is made available to them.
- Provide advice as to other sources of assistance and technical help.

Moving Expenses and Payment Options

Persons who qualify for relocation assistance are entitled to reimbursement of moving costs and certain related expenses incurred in moving. The methods of moving and the various types of moving cost payments are explained below.

There are two payment options: people may choose to be paid on the basis of actual reasonable moving costs and related expenses, or according to a fixed moving cost schedule.

To assure eligibility, the amount of moving expenses, and prompt payment, a county representative should be contacted before the move.

Reimbursement based on Actual Reasonable Moving Costs

You can choose to be reimbursed for your documented actual moving and related expenses that WTD determines to be reasonable and necessary, including the actual reasonable expenses in moving you, your family, and your personal property. Expense may include:

- Packing and unpacking of personal property
- Transportation up to 50 miles
- Disconnecting and reconnecting household appliances
- Temporary storage of personal property
- Insurance while property is in storage or transit
- Transfer of telephone service and other similar utility reconnections (cable, power, etc.)

Reimbursement based on a Fixed Moving Cost Schedule

You may also choose to be paid on the basis of the fixed moving cost schedule approved by the Washington State Department of Transportation. The schedule is shown on the next page. The amount of the payment is based on the number of rooms in your dwelling. If you choose this option, you will not be eligible for reimbursement of related expenses. The moving cost schedule is designed to cover such expenses.

FIXED COST MOVING SCHEDULE*

For relocating personal property located in a dwelling:

Number of Eligible Rooms	Payment to Occupants Who Own Furnishings
1	\$450
2	\$600
3	\$750
4	\$900
5	\$1,050

Add \$150 for each additional room.

** Includes \$300 relocation allowance for utility hookups and other miscellaneous moving expenses.*

Note: The expense and dislocation allowance to a person with minimal personal possessions occupying a dormitory style room shared by two or more unrelated persons is limited to \$100.

Selecting a Reimbursement Option

In most cases people who use a professional mover have found it beneficial to be reimbursed based on actual reasonable moving costs. WTD can not tell people which reimbursement option to use, but can provide owners and tenants with information so they can make an informed choice.

Moving Costs for Manufactured (Mobile) Home Owners

Manufactured homes are personal property and if they must be moved, the owners may be eligible for the cost of moving the manufactured home, including disassembling, moving, reassembling, anchoring the unit, and utility "hookup" charges.

Porches, decks, skirting, and awnings that are not purchased by WTD will also be moved. You may also be eligible to be reimbursed for packing and securing of personal property located in the home such as furniture, appliances, and clothing, either on the basis of reasonable expenses incurred, or according to the fixed moving cost schedule. For a complete explanation of all moving cost options, please discuss your move with a WTD representative.

Replacement Housing Payments

Those who qualify for relocation assistance will be given a written notice of the maximum replacement housing payment that will apply to their situation. The notice will be provided at least 90 days before the date by which they will be required to move.

The type of payment depends on whether you are an owner or tenant, and how long you have lived on the property being acquired prior to negotiations. Replacement Housing Payments are separated into three basic types:

- **Purchase Supplement** for owner occupants of 180 days or more

To be eligible, the owner must actually own and occupy the displacement dwelling for not less than 180 days immediately prior to the initiation of negotiations, AND must purchase and occupy a decent, safe and sanitary replacement dwelling within one year after the receipt of final payment for the displacement dwelling or the date that a comparable replacement dwelling is made available, whichever is later.

- **Rent Supplement** for owner occupants and tenants of 90 days or more

To be eligible, the owner or tenant must be an actual legal resident of the displacement dwelling for not less than 90 days (owners who are legal residents for more than 179 days would be eligible for the benefits of 180 day owner occupants) immediately prior to the initiation of negotiations, AND must rent a decent, safe and sanitary replacement dwelling within 1 year after: 1) For a tenant; the date he/she moves from the displacement dwelling 2) For an owner-occupant; the date he/she receives final payment for the displacement dwelling or the date he/she moves from the displacement dwelling, whichever is later.

- **Down Payment Assistance** for owner occupants of 90 to 179 days and tenants of 90 days or more

To be eligible, the owner or tenant must be an actual legal resident of the displacement dwelling for more than 90 days (owners who are legal residents for more than 179 days would be eligible for the benefits of 180 day owner occupants) immediately prior to the initiation of negotiations, AND must purchase and occupy a decent, safe and sanitary replacement dwelling within 1 year after: 1) for a tenant; the date he/she moves from the displacement dwelling 2) For an owner-occupant; the later of the date he/she receives final payment for the displacement dwelling or the date he/she moves from the displacement dwelling.

You cannot be required to move unless at least one “comparable replacement dwelling” is made available.

Purchase Supplement for Owner Occupants

Owners who have occupied their home continuously for 180+ days prior to the offer to purchase the property (180-day owner), may be eligible to receive a Replacement Housing Payment for the cost necessary to purchase a comparable replacement dwelling. WTD will compute the maximum payment you are eligible to receive. In order to become eligible for this payment, owners must purchase and occupy a decent, safe, and sanitary (DSS) replacement dwelling within one year and must also make their claim for replacement housing payment within 18 months.

The Purchase Supplement payment cannot exceed \$22,500, and includes:

- **Price Differential**

The price differential payment is the amount by which the cost of a Comparable Replacement Dwelling exceeds the acquisition cost of the displacement dwelling. The price differential payment and the following payments are in addition to the acquisition price paid for your property (*see example on next page*).

- **Increased Mortgage Interest Costs**

Owners may be reimbursed for increased mortgage interest costs if the interest rate on their new mortgage exceeds that of their present mortgage. The displacement dwelling must have been encumbered by a bona fide mortgage, which was a valid lien for at least 180 days prior to the initiation of negotiations.

EXAMPLES OF HOW THE PRICE DIFFERENTIAL PAYMENT IS CALCULATED

1. WTD first computes the maximum payment based upon a DSS comparable replacement property that is currently available for purchase. For example:

Price of Comparable Home	\$130,000
Acquisition Price of Property	<u>\$120,000</u>
Maximum Price Differential	\$10,000

2. When you actually purchase your replacement home, the amount of the price differential payment you will receive depends on how much is actually spent to purchase the replacement home. The maximum payment in this example (as calculated above) is \$10,000. The actual amount you will be reimbursed is computed as shown in these examples:

Example A

Purchase Price of Replacement Home	\$ 130,000
Price of Acquisition by County	- <u>\$ 120,000</u>
Difference	\$ 10,000
Actual Amount Reimbursed	\$ 10,000

Example B

Purchase Price of Replacement Home	\$ 133,500
Price of Acquisition by County	- <u>\$ 120,000</u>
Difference	\$ 13,500
Actual Amount Reimbursed	
(Maximum Price Differential Payment)	\$ 10,000
You Must Pay the Additional	\$ 3,500

Example C

Purchase Price of Replacement Home	\$ 127,000
Price of Acquisition by County	- <u>\$ 120,000</u>
Difference	\$ 7,000
Actual Amount Reimbursed	\$ 7,000

- **Incidental Purchase Expenses**

Owners may also be reimbursed for other expenses such as reasonable costs incurred for title search, recording fees, and certain other closing costs normally paid by a purchaser, but not including prepaid expense such as real estate taxes and property insurance.

Rent Supplement for Tenants and Owner Occupants

Displaced tenants and owners may be eligible for a rental supplement payment, not to exceed \$5,250 if they have been in continuous occupancy for at least 90 days prior to WTD's offer to purchase the property.

This payment was designed to enable displaced owners or tenants to rent a comparable DSS replacement dwelling for a three and one-half year period (42 months). If you choose to rent a replacement dwelling and the rental cost is higher than you have been paying, you may be eligible for a rental supplement.

The amount of your total gross monthly income may also influence the amount of your rent supplement payment. WTD's relocation specialist will advise you further regarding this matter.

WTD will determine the maximum eligible payment in accordance with established procedures. The rental supplement payment may be paid in installments or in a lump sum as determined by WTD.

You must rent and occupy a DSS replacement dwelling within one year to be eligible and you must also claim any payments within 18 months.

Note: The term "utilities" referred to on the following pages, includes heat, light, water, and sewer, the costs of which are used for the purpose of computing relocation benefits.

It is important that you contact a WTD representative prior to entering into any purchase or rental agreement for a replacement dwelling, to arrange for an inspection of the property and to ensure that it meets the required criteria as a decent, safe and sanitary (DSS) replacement.

Down Payment Assistance for 90-Day Tenants and 90 to 179-Day Owner Occupants

90-day occupants (tenants or owner occupants) may use the full amount of their rent supplement, or \$5,250, whichever is greater, as a down payment allowance and to pay some incidental expenses to purchase a replacement dwelling.

Incidental expenses include the reasonable costs of a title search, recording fees, and certain other closing costs, but do not include prepaid expenses such as real estate taxes and property insurance. You may also be eligible for the reimbursement of loan origination or assumption fees, if such fees are normal to real estate transactions in your area and they do not represent prepaid interest.

The combined amount of the down payment and incidental expenses cannot exceed the greater of \$5,250 or the amount of the computed rental supplement payment. For an owner occupant, the combined amount of the down payment and incidental expenses also cannot exceed the Price Differential Payment you would receive if you were classified as an owner of 180 days or more.

EXAMPLE OF A RENT SUPPLEMENT PAYMENT CALCULATION

1. WTD first computes the maximum payment based upon the difference between rent and utilities currently being paid and the rent and utilities for a comparable dwelling. For example:

Original Rent and Utilities	\$ 600/month
Comparable Dwelling Rent and Utilities	<u>\$ 700/month</u>
Difference	\$ 100/month
Maximum Rent Supplement (\$100 x 42 months)	\$ 4,200

2. The amount of the maximum rent supplement received depends on how much is actually spent on replacement rent. If the maximum rent supplement is \$4,200, the actual benefit is computed as shown in this example:

Original Rent and utilities	\$ 600 per month
Actual Replacement Rent and utilities ..	<u>\$ 675 per month</u>
Difference	\$ 75 per month
Actual Rent Supplement Payment	
(\$75 x 42 months)	\$ 3,150

Again, you must purchase and occupy a DSS replacement dwelling within one year and claim the payment within 18 months.

Last Resort Housing

Normally, an adequate supply of housing will be available for sale and for rent and the benefits provided will be sufficient to enable persons to relocate to comparable housing. However, there may be certain locations where the supply of available housing is insufficient to provide housing for those persons being displaced.

If comparable housing is not available, or the replacement housing payment exceeds \$5,250 for a 90-day occupant or \$22,500 for a 180-day owner occupant, housing will be provided under an administrative process called Last Resort Housing.

When it is necessary to rely upon Last Resort Housing, housing may be provided in a number of ways, such as:

- Purchasing an existing comparable residential property and renting it to a displaced tenant.
- Relocating and rehabilitating (if necessary) a displacement dwelling in order to make it available to a displaced owner.
- Purchasing, rehabilitating, and/or constructing additions to an existing dwelling to make it comparable to the displacement property.
- Purchasing land and constructing a new replacement dwelling comparable to the displacement property when comparables are not otherwise available.
- Purchasing an existing dwelling, removing barriers, and/or rehabilitating the structure to accommodate a displaced person when suitable comparable replacement dwellings are not available.
- Paying in excess of the maximum \$5,250 or \$22,500 payment limits to persons to provide the necessary housing or financing.

There is broad flexibility in implementing the Last Resort Housing program.

You have freedom of choice in the selection of replacement housing. WTD will not require any displaced person, without the person's written consent, to accept a replacement dwelling provided by WTD. If you decide not to accept the replacement housing offered by WTD, you may independently obtain a replacement dwelling, providing it meets DSS housing standards. If you are eligible for replacement housing under the Last Resort Housing program, a WTD representative will inform you of your eligibility and will explain the program.

COMPLAINTS AND APPEALS

If you disagree with WTD's decision as to your eligibility for relocation payments or the amount of any relocation payment, then you may appeal the decision to the county. The county will advise you of its appeal procedures. Your appeal must be in writing. You will have 60 days to file your appeal with the county after you receive written notification of the county's determination on your claim.

DEFINITIONS

Appraisal

An estimate of the value of a piece of property as of a particular date. Also called valuation.

Appraiser

A person, who estimates value of a piece of property, especially an expert qualified to do so by training and experience.

Condemnation

Taking private property for public use through the government's power of eminent domain.

Comparable Replacement

A comparable replacement dwelling must be "decent, safe, and sanitary" and should be functionally similar to your present dwelling. While not necessarily identical to your present dwelling, the replacement should have certain attributes, including:

- Similar number of rooms and living space.
- Located in an area not subject to adverse environmental conditions.
- Generally located in an area at least as desirable as your present location with respect to public utilities and commercial and public facilities.
- Located on a site that is of a suitable size for the dwelling unit with normal site improvements.
- Currently available to you.

Decent, Safe and Sanitary (DSS)

Replacement housing must be decent, safe, and sanitary, which means it meets all of the minimum requirements established by state regulations and conforms to applicable housing and occupancy codes. The dwelling must:

- Be structurally sound, weather tight, and in good repair.
- Contain a safe electrical wiring system adequate for lighting and electrical appliances.

- Contain a heating system capable of sustaining a healthful temperature (of approximately 70 degrees).
- Be adequate in size with respect to the number of rooms and area of living space to accommodate the displaced person(s).
- Contain a well-lighted and ventilated bathroom providing privacy to the user and containing a sink, bathtub or shower stall, and toilet, all in good working order and properly connected to appropriate sources of water and sewage drainage system.
- Contain a kitchen area, with a fully usable sink properly connected to potable hot and cold water and to a sewage drainage system; with adequate space and utility connections for stove and refrigerator.

Easement

The right to use some parts of another person's property for a particular purpose.

Eminent Domain

The government's constitutional power to take (or condemn) private property for public use, as long as the owner is paid just compensation.

Just Compensation

The compensation that the Constitution requires the government to pay a property owner when the property is taken under the power of eminent domain. The legal theory is that in order to be "just", the property owner should be no richer or poorer than before the taking.

Public Right of Way

Typically it is a publicly owned strip of land, which is used as a roadbed, utility corridor, or trail. It may be an easement or it may have been purchased outright.

Real Property

Lands and anything permanently affixed to the land, such as buildings, and fences.

Title

Lawful ownership of property. Also, the deed or other documents that is evidence of that ownership.

Uniform Act

The term “Uniform Act” means the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 (84 Stat. 1894; 42 U.S.C. 4601 et seq.; Pub. L. 91-646), and amendments thereto. WTD will use the Uniform Act to determine eligibility for relocation benefits and services.



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